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SOLID WASTE AUTHORITIES

House Bill 6078

Sponsor: Rep. David Woodward

**Committee: Local Government and Urban
Policy**

Complete to 10-12-00

A SUMMARY OF HOUSE BILL 6078 AS INTRODUCED 10-4-00

House Bill 6078 would amend Public Act 179 of 1947, which provides for the incorporation of municipal authorities, to allow certain solid waste authorities to disband their legal organizations.

The bill specifies that if two or more members of an authority that has 10 or more members, serves more than 250,000 people, and has no outstanding revenue bonds decided by a vote of their legislative bodies that the authority no longer effectively served the public interest for which it was created, then they could direct the authority to be dissolved. If that action were taken, the authority would be required to stop operating within six months. Then, within six months of the date it stopped operations, it would be required to settle all of its accounts and sell all of its property. Under the bill, a member of the authority could purchase all or any part of the property that was located within its jurisdiction, if it paid the property's fair market value, or the highest price offered for the property in an arm's length, bonafide offer, whichever was less.

House Bill 6078 further would require that immediately after the sale of the authority's property and the settling of accounts, it would have to distribute its remaining assets to its members on a pro rata basis based on the amount of each member's municipal solid waste, including recyclables, that was handled by the authority, or a private contract, during the last full calendar year prior to the direction to dissolve.

Claims of secured creditors would not be impaired by reason of the provisions of the bill. Further, upon distribution of its assets, the corporate existence of the authority would terminate, all liabilities of its members would terminate, and the authority would be dissolved. Finally, the bill specifies that this its provisions would not preclude the incorporation of a new authority by prior members of a dissolved authority.

House Bill 6078 defines "member" to mean a municipality that incorporated the authority or became a part of the authority, unless its participation in the authority had been terminated by an action of the state.

MCL 123.307a

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